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INTRODUCTION

Wyoming Public Schools (WPS) entered into contract #BA-03-41003 with the Michigan Family Independence Agency (FIA) to provide a Before and After School Program (BA) for TANF eligible children in grades K-9. The children will be provided specific services in the following areas: academic assistance in the content area of language arts, anger management and gang violence prevention. In addition programming included quarterly seminars for parents, guardians, and other adults in the community focusing on parenting skills, how to support the child's education, disciplining children, and keeping the child safe from substance abuse. WPS will provide nutritional snacks at each meeting and transportation for children when necessary. Regular teachers will take an active roll in helping children in need of after school programming signed up. TANF eligible children only were able to participate. The contract totaled \$161,432.00 and covered the period October 1, 2002 through June 30, 2003. WPS was reimbursed for their actual costs of providing the program through submission of monthly billings to FIA.

SCOPE

The Office of Internal Audit performed an audit of Wyoming Public Schools to determine if the school's billings were accurate, allowable, and properly supported by the accounting records and supporting documentation in accordance with the terms of the contract. Our review covered the period October 1, 2002 through March 31, 2003. We also tested case files to determine if TANF forms were on file to document eligibility for the students who participated in the program.

EXECUTIVE SUMMARY

Based on our audit, we conclude that WPS overbilled FIA \$21,541.44 as of June 19, 2003. WPS billed a total of \$154,725.00. The total allowable, documented, audited expenses as of June 19, 2003 were \$133,183.56. FIA has paid WPS a total of

\$126,958.36, and is withholding payment of the final billing pending the results of this audit. Our report recommends that the Field Services Administration ensure that WPS is paid the additional \$6,225.20 (total audited expense \$133,183.56 less total paid \$126,958.36), rather than the amount of their final billing.

Based on our review of WPS TANF forms, we concluded that the forms at one of the three sites of the program had not been completed properly for all the participants at this one site. The contractor served only TANF eligible students.

WYOMING PUBLIC SCHOOLS' RESPONSE

The management of Wyoming Public Schools has reviewed all findings and recommendations included in this report. They indicated in a letter dated July 10, 2003 that there were certain factors and misunderstandings that contributed to the findings, and they provided explanations for how they occurred.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Salaries and Fringes

1. Our audit determined that WPS had actual salaries and fringes expense at June 19, 2003 of \$105,001.72 and \$20,703.73 respectively. We found that the total salaries and fringes billed through April 18, 2003 were \$111,674.00 and \$22,483.00 respectively. Therefore WPS overbilled FIA \$6,672.28 in salaries and \$1,779.27 in fringes expense. WPS should charge only allowable salary and fringe expenses to the appropriate billing period.

Communication

2. WPS overbilled FIA \$1,303.00 for communication expenses because they billed for telephone costs that were not included as an allowable expense in the contract budget.

Supplies

3. WPS overbilled FIA \$11,786.89 for supplies expense. WPS had billed \$19,265.00 through April 18, 2003. Actual audited supplies expense is \$7,478.11 as of June 19, 2003. WPS should charge only the actual cost of supplies on the FIA billings.

WE RECOMMEND the FSA ensure that Wyoming Public Schools is paid the audited amount due them of \$6,225.20, rather than the amount of their final billing for the contract year 2003.

WE ALSO RECOMMEND that the FSA remind Wyoming Public Schools that they may only charge FIA for actual expenditures related to the Before and After contract.

Payroll

4. WPS did not keep accurate time records for salaries charged to Lead Teachers, Site Coordinators, and District Coordinators. These salaried positions were asked to sign a Payroll Information Sheet that stated they would be paid once at the end of the program. There were no time records for charges throughout the year for these employees. The contract requires the contractor to support salaries with an exception reporting system or a positive reporting system.

WE RECOMMEND FSA require WPS implement a method for recording the time employees are on the job for the Before and After contract.

Case File Review

5. We reviewed client case records to determine if the required TANF forms were on file. There were three schools providing services for the Before and After program. Each school documented the child file slightly different. The Parkview School did not complete Section C. of the FIA-3041; Request for Services by the Federal TANF Block Grant for certifying the child's eligibility. The contract states that the contractor must complete the TANF forms.

WE RECOMMEND FSA require WPS to certify eligibility for all children for future contracts.